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Department of State

# TELEGRAM

EXCISE

SECRET 712

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY [redacted] DATE 6/14/11
PORTIONS DENIED AS INDICATED

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ACTION SS-45

INFO OCT-01 CCO-00 SSO-00 NSCE-00 7046 W 113692

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FM AMEMBASSY TRIPOLI
TO SECSTATE WASHDC IMMEDIATE 7281

SECRET TRIPOLI 067

EXDIS

SUBJ: HIGH LEVEL APPROACH ON OIL AFFAIRS

REF: STATE 4025; TRIPOLI 51, 61 AND 63

1. PETROLEUM DEVELOPMENTS OF PAST FEW DAYS HAVE INJECTED BOTH NEW SUBSTANTIVE ELEMENT AND SPECIAL URGENCY INTO REVIEW WITH QADHAFI OR JALLUD OF US-LIBYAN RELATIONS ENVISAGED STATE 4025. NEW ELEMENT IS LARGE STATED INTENTION OF ATTEMPTING TO INFLUENCE USG POLICY TOWARD ARAB-ISRAELI DISPUTE BY PENALIZING OIL INDUSTRY AND THROUGH IT, OUR EUROPEAN ALLIES. [redacted] B5

[redacted] B5

IT IS NOW CLEAR THAT JALLUD PLANS TO MOVE OIL TALKS AS FAST AS POSSIBLE. [redacted] B4

THUS, BOTH OF MY EARLIER CONCERNS HAVE BEEN SATISFIED. [redacted] B5

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4. IF I HAVE NOT RECEIVED APPOINTMENT WITH QADHAFI IN NEXT DAY OR TWO, I PLAN TO ASK FOR URGENT MEETING WITH JALLUD (WHO SHOULD RETURN FROM ALGIERS ABOUT THEN) TO DISCUSS OIL AFFAIRS. WITH EITHER JALLUD OR QADHAFI I WOULD MAKE POINTS ABOUT PACE OF OIL NEGOTIATIONS SUGGESTED PARA FIVE, STATE 1810 AND ABOUT STERILITY OF POLITICIZING PETROLEUM RELATIONS, IN ADDITION TO REVIEWING OTHER ASPECTS OF OUR INTERESTS. I PROPOSE TO STATE FIRMLY THAT USG MAKES ITS FOREIGN POLICY DECISIONS ON THEIR MERITS. IN CASE OF MIDDLE EAST, WE ARE FIRMLY COMMITTED TO PEACEFUL NEGOTIATED SOLUTION BY PARTIES AND ARE DOING ALL WE CAN. WE INTEND TO CONTINUE TO DO SO AND WILL NOT BE INFLUENCED ON MERITS OF ISSUES BY PRESSURES FROM PRIVATE COMPANIES, CONSUMERS OR PRODUCERS. ANY LARG CALCULATION TO CONTRARY IS BASED ON MISUNDERSTANDING OF PRINCIPLES AND PROCESSES OF USG. UNDER CIRCUMSTANCES IT WOULD BE IN INTERESTS OF ALL CONCERNED TO TURN TO DEALING WITH INTERNATIONAL PETROLEUM MATTERS ON THEIR MERITS AS WELL.

5. IF DEPARTMENT HAS FURTHER GUIDANCE, IT SHOULD BE TRANSMITTED AS SOON AS POSSIBLE.

6. STATE 4864 JUST RECEIVED (AS ROUTINE MESSAGE). BECAUSE SITUATION VERY FLUID, IT MAY PROVE PREFERABLE SEEK URGENT MEETING WITH JALLUD IMMEDIATELY AFTER HIS RETURN FROM ALGIERS AND HOPEFULLY BEFORE HIS MEETING WITH BUNKER HUNT AND OCCIDENTAL JANUARY 16 IN ORDER TO COVER ONLY OIL CRISIS DEVELOPMENTS. FRANK TOUR D'HORIZON BILATERAL RELATIONSHIP WITH QADHAFI OR JALLUD COULD BE POSTPONED TO MORE PROPITIOUS TIME.

7. ALSO REQUEST GUIDANCE RE WHAT I TELL JALLUD IF HE AWARE AT TIME OF COMMON INDUSTRY STAND AND IF HE ASKS ME WHY JUSTICE DEPARTMENT AUTHORIZED COMPANIES DEPART FROM NORMAL ANTI-TRUST PROCEDURES. (I WISH MAKE SURE I RESPOND CONSISTENTLY WITH WHAT OTHERS MAY BE SAYING.) GP-3.
PALMER

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